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For Immediate Release

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SOCIAL SECURITY  
News Release

## **Social Security Announces 2.7 Percent Benefit Increase for 2005**

([Aquí en Español](#))

Monthly Social Security and Supplemental Security Income benefits for more than 52 million Americans will increase 2.7 percent in 2005, the Social Security Administration announced today.

Social Security and Supplemental Security Income benefits increase automatically each year based on the rise in the Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), from the third quarter of the prior year to the corresponding period of the current year. This year's increase in the CPI-W was 2.7 percent.

The 2.7 percent Cost-of-Living Adjustment (COLA) will begin with benefits that more than 47 million Social Security beneficiaries receive in January 2005. Increased payments to 7 million Supplemental Security Income beneficiaries will begin on December 30.

Some other changes that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$90,000 from \$87,900. Of the estimated 159 million workers who will pay Social Security taxes in 2005, about 9.9 million will pay higher taxes as a result of the increase in the taxable maximum in 2005.

It is important to note that no one's Social Security benefit will decrease as a result of the 2005 Medicare Part B premium increase, announced last month. By law, the Part B premium increase cannot be larger than a beneficiary's COLA increase. Information about Medicare changes for 2005 can be found at [www.hhs.gov](http://www.hhs.gov) – The Internet site for the Department of Health and Human Services.

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**NOTE TO CORRESPONDENTS:** A fact sheet showing the effect of the various automatic adjustments is attached.

***Note:** Copies of most SSA press releases, as well as other Social Security information and statistics, are available at SSA's Internet site, **Social Security Online**, at <http://www.socialsecurity.gov>.*

*Also look there for information on subscribing to SSA's free electronic newsletter, Social Security eNews.*

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